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BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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Commissioners

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2003 APR 25 A 11: 31

MARC SPITZER, Chairman  
JIM IRVIN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON

APR 25 2003

DOCKETED BY

CA

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF QWEST  
COMMUNICATIONS INTERNATIONAL, INC.'S,  
QWEST SERVICES CORPORATION'S, AND  
QWEST CORPORATION'S NOTICE OF SALE,  
REQUEST FOR WAIVER, OR APPLICATION  
FOR APPROVAL OF THE SALE OF THE  
ARIZONA OPERATIONS OF QWEST DEX, INC.

DOCKET NO. T-01051B-02-0666

PROCEDURAL ORDER

**BY THE COMMISSION:**

On March 23, 2003, the Hearing Division of the Arizona Corporation Commission ("Commission") issued a Procedural Order that set the following revised schedule:

Staff files its initial testimony no later than March 28, 2003.

Qwest files its surrebuttal testimony by April 18, 2003

Staff/Intervenors file rejoinder testimony by May 9, 2003

Public Comment on May 6, 2003

Pre-hearing Conference on May 21, 2003

Hearing commences May 27, 2003

On March 27, 2003, the Department of Defense ("DOD") notified the parties and Hearing Division that its witness will be out of the country from May 19, 2003 through June 4, 2003, and thus not available for the May 27, 2003 hearing.

On March 28, 2003, Commission Utilities Division Staff ("Staff") notified the parties and the Hearing Division that it and Qwest had reached a settlement in principal and stated that they would be requesting a procedural schedule for filing testimony in support of the proposed settlement.

On April 18, 2003, Staff and Qwest Corporation ("Qwest") filed a Joint Notice of Filing Settlement Agreement and Motion for Procedural Schedule. The parties attached a copy of their Stipulation. Qwest and Staff proposed the following procedural schedule in light of their Stipulation:

April 28, 2003

Parties supporting Stipulation File Testimony

1 May 2, 2003 Parties Opposing Stipulation File Testimony

2 May 6, 2003 Hearing on Stipulation

3 Qwest and Staff claim that the proposed schedule allows the hearing to commence on the date  
4 originally noticed to the public. Staff and Qwest state that because the scope of the May 6, 2003  
5 hearing would be limited to the Stipulation, the parties will have adequate time to prepare for that  
6 hearing.

7 On April 22, 2003, the Residential Utility Consumer Office ("RUCO") filed a Response to the  
8 Motion for Procedural Schedule, and stated it is still analyzing the proposed Settlement and objected  
9 to the acceleration of the procedural schedule.

10 On April 23, 2003, Qwest filed a Reply to RUCO's Response, arguing that RUCO was  
11 informed of the terms of the Settlement in late March and received a copy of the Stipulation on April  
12 10, 2003, and has had adequate time to prepare a position on the proposed Settlement. Qwest states,  
13 "RUCO has not understood the procedural schedule set forth in the Joint Motion. The Joint Motion  
14 simply addresses deadlines for testimony and hearing on the proposed settlement. The schedule does  
15 not alter dates already scheduled for testimony in this docket for issues not related to the settlement  
16 (e.g., if the settlement is not approved) or request an acceleration of such dates. Despite the Joint  
17 Motion, the filing deadline for RUCO's rejoinder testimony would remain May 9, 2003."

18 On April 24, 2003, DOD filed a Response to the Joint Motion. DOD opposes the proposed  
19 schedule as it believes it would be impossible to attend a hearing on the Settlement on May 6<sup>th</sup> and at  
20 the same time prepare rejoinder testimony to file on May 9<sup>th</sup>. DOD proposed three alternative  
21 schedules, which also address the ability of its witness to testify.

22 The proposed schedule in the Joint Motion is very aggressive, especially if there are parties  
23 who do not agree with the proposed Settlement. In addition, depending on the magnitude of any  
24 disagreement, the proposed schedule may not give the Commission adequate time to prepare for a  
25 May 6, 2003 hearing, even if the objecting parties could prepare in time. It evidently took Qwest and  
26 Staff some time to prepare the Stipulation after they had reached a settlement in principal, and it is  
27 not unreasonable to expect other parties, who did not agree to the Stipulation, time to evaluate its  
28 effect. Therefore, we do not adopt the proposed procedural schedule. The hearing currently set for

1 May 27, 2003 will address the proposed Settlement as well as relevant issues intervenors may have  
2 with respect to the proposed sale.

3 There is a need for testimony in support of the Stipulation. Apparently, the offering parties  
4 are prepared to file such testimony by April 28, 2003. Because the Stipulation is limited in scope and  
5 the non-signing parties have had access to its terms for several weeks, if the offering parties can file  
6 testimony in support of the Settlement by April 28, 2003, intervenors should be able to file  
7 responsive testimony when they file their rejoinder testimony on May 9, 2003.

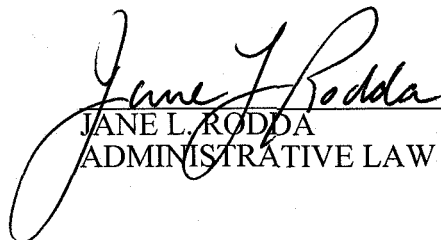
8 According to the DOD's proposed alternative schedule, the DOD witness is available to  
9 testify between May 13<sup>th</sup> and 15<sup>th</sup>, or after June 5, 2003. The Commission's hearing schedule  
10 prevents moving the hearing earlier than May 27<sup>th</sup>, however, it is likely that a time convenient for all  
11 parties can be found either during the week of May 12<sup>th</sup> or after June 5<sup>th</sup> to schedule the DOD witness  
12 in the event the parties do not agree to stipulate to the admission of his testimony. The Commission  
13 will address scheduling this witness at the May 6<sup>th</sup> public comment meeting.

14 IT IS THEREFORE ORDERED that Qwest and Staff, and any other party in support of the  
15 Stipulation filed April 18, 2003, shall file testimony in support of the Stipulation by April 28, 2003.

16 IT IS FURTHER ORDERED that intervenors not parties to the Stipulation, shall provide  
17 testimony concerning their position on the Stipulation by May 9, 2003, and may include such  
18 testimony as part of, or in lieu of, rejoinder testimony.

19 IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive  
20 any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

21 DATED this 24<sup>th</sup> day of April, 2003.

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JANE L. RODDA  
ADMINISTRATIVE LAW JUDGE  
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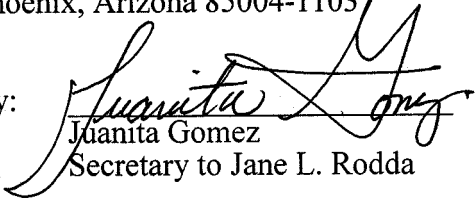
28 Copies of the foregoing mailed/delivered  
this 24<sup>th</sup> day of April, 2003 to:

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